

PROCLAMATION

BY THE

Governor of the State of Texas

TO ALL TO WHOM THESE PRESENTS SHALL COME:

The fiscal decisions contained in the Sixty-eighth Legislative Session have been some of the most challenging in memory. Never before has the Legislature faced such drastic losses in the revenue available to meet essential needs.

Texas is a rapidly growing state with all of the demands for public services that new people, new jobs, and new school children place before their government. As late as November when most of the state's leadership was elected, we expected to have \$25.1 billion in major tax funds available to meet those needs. Before Senate Bill 179 was finally passed, the estimate of major funds had decreased \$3.2 billion. The amount of that reduction would have constituted one-third of the entire state budget just a decade ago.

When one takes the amount we will spend in 1983 and doubles it to cover 1984 and 1985 and then adds in those items which increase automatically by formula, such as new school children and college students and highway maintenance -- then the revenues estimated to be available are barely sufficient to cover the total. That makes no provisions to deal with inflation and salary increases to keep pace with the cost of living. It also leaves out new programs, and those needs which have been left unmet in the past.

The revenue reduction has pointed out to all of us how closely our state economy, and especially our state revenue structure, is linked to oil and gas. The linkage of severance taxes to petroleum prices is obvious and necessary, but we had come to expect the increased revenues to be available in spite of unrest in the world oil economy. The extent to which sales tax revenues are linked to petroleum has been a lesson to us.

From an optimistic view, we are fortunate that the lesson came at a time when our economy and state revenue picture were basically strong. But the lesson is not one to forget. We must diversify our economy and we must diversify our state revenue base.

The challenge which faced the Legislature was great. I wish to commend Lieutenant Governor Bill Hobby, Speaker of the House Gib Lewis and all members of the Legislature for their dedicated labors. Particularly, I want to congratulate Senator Grant Jones, Chairman of the Senate Finance Committee, and Representative Bill Presnal, Chairman of the House Appropriations Committee, and the other members of the Conference Committee on Appropriations, Senator Ray Farabee, Senator Chet Brooks, Senator Ed Howard, Senator John Traeger, Representative Jay Gibson, Representative Bill Hollowell, Representative Frank Madla, and Representative Jim Rudd, for accomplishing the task of reconciling the differences between House Bill 409 and Senate Bill 179. Their job was extremely difficult and they deserve the thanks of all Texans.

The result of their labors is a budget as tight as any in years. I think the Legislative leadership and I agree that a number of critical needs were not met and need to be considered as soon as additional revenue is available. Some of these include state employee salaries, higher education salaries, Aid to Families with Dependent Children, benefits for retired teachers, and highway construction. On the whole, the Legislature managed to continue essential services within estimated revenues. As a result, I agree with their decisions to a greater extent than any Governor for some time.

The two areas in which I disagree concern education. Our educational system is the key to the future of Texas. We must move in the next two decades from an oil and gas, industrial economy to the information age. In

the past few months, we have stopped thinking of education simply as an obligation of government and have started thinking of it as an essential investment necessary for Texas and its people to reach their full potential.

I am pleased by the spirit of cooperation and the fast start of the Select Committee on Public Education. I am optimistic they can outline our investment needs in education and can suggest revenue sources. Teacher salaries will be an important aspect of their work. We must stop thinking in terms of simply what teachers deserve and also start thinking in terms of what it will take to attract and keep our best minds in the teaching profession. Equalization aid is an essential investment for the future of Texas. The speed at which education has become a national issue in the past few months shows both that others are thinking the same thing and gives one some idea of the competition Texas will face. I am confident that the Select Committee on Public Education will develop a workable consensus and plan in the next few months which we can then present to the Legislature in Special Session.

My other area of disagreement with the priorities set in Senate Bill 179 concerns higher education construction. I believe we must honor the commitments we have made in the statewide civil rights plan for Texas higher education, Texas Equal Education Opportunity Plan for Higher Education. Secretary of State John Fainger chaired the negotiating committee and I was pleased to be able recently to announce the approval of that plan by the U.S. Department of Education.

Among the last items to be worked out in the plan's negotiations were the state's financial commitments to enhancing the traditionally black institutions. In connection with the portion of the plan for Texas Southern University, I am pleased the Conference Committee provided an additional \$5.7 million in funding above the formula generated appropriations to TSU. These funds are needed to implement programs the plan commits the State to establish at TSU. The funds for strengthening established programs are needed to maintain accreditation in fields of Law, Business, Education, and Pharmacy. It also will help maintain the financial recordkeeping system recently brought up to current reporting requirements of the State Auditor and to provide campus security needed to make the campus more attractive to students of all races. The recruitment, scholarships, and counseling funds are needed to help the school attract more white students and to reduce the attrition of students who enter the school.

In addition, I have pledged in the plan that the State will begin to rectify faculty salary differentials that exist between TSU and other institutions with which it is compared. This will require \$500,000 for the next biennium and these funds also were included in Senate Bill 179. The institution will work during the biennium to reduce the size of its faculty in relationship to its enrollments and will attempt to increase its enrollments in order to bring formula income into congruity with its staffing pattern. In the meantime, this budgetary assistance will begin the movement toward establishing more equitable faculty salaries at TSU.

I very strongly support the appropriation of \$13.7 million for major repair and rehabilitation at TSU. The physical plant at that school needs the highest priority attention.

For this reason, I also recommended to the Legislative leadership and the Conference Committee that if any appropriations were made for new construction at any university, the TSU projects for a new physical education building (\$11,000,000) and Phase I of a library addition (\$5,000,000) should be at the top of funding priorities. However, contrary to my recommendations Senate Bill 179 includes new construction projects at several universities and does not address the new construction needs at Texas Southern University.

It is my intent to open the call of the First Called Session of the Sixty-eighth Legislature, scheduled to convene June 22, 1983, to the matter of new construction at Texas Southern University. There are sufficient funds available for the new physical education building and Phase I of the library addition. Lieutenant Governor Hobby and Speaker Lewis have pledged their support.

In addition, Senate Bill 179 creates the feasibility study for a new university in the immediate area of Prairie View A&M University. A new university in the service area would not be in the best interest of our commitment to upgrade the programs at Prairie View A&M University.

Therefore, for these reasons, pursuant to Article IV, Section 14 of the Texas Constitution, I am vetoing the following item of appropriation, financed with general revenue funding, in order to fully keep the commitments made under the Texas Equal Education Opportunity Plan for Higher Education.

ARTICLE III - AGENCIES OF PUBLIC EDUCATION

The University of Houston System, System Administration	For the Years Ending	
	August 31, 1984	August 31, 1985
Item 3. Woodlands Campus Planning, page III-70.	\$ 100,000	\$ 100,000

The higher education needs of the residents of the rapidly growing Woodlands area are diverse and complex. A study of those educational needs would be very appropriate. However, the Woodlands Campus Planning project would be a first step toward a new higher education institution. I am not convinced that this would appropriately or adequately address the higher education needs in this area. In addition, funding such planning would be inconsistent with our commitment under the Texas Equal Educational Opportunity Plan for Higher Education.

Senate Bill 179 was received in the Governor's Office less than ten (10) days prior to the adjournment of the Regular Session of the Sixty-eighth Legislature, and, in accordance with Article IV, Section 14, the Constitution of the State of Texas, Senate Bill 179, together with this Proclamation, is filed with the Secretary of State of the State of Texas.



IN TESTIMONY WHEREOF, I have hereunto signed my name officially and caused the seal of the State of Texas to be affixed hereto at Austin, Texas, on this 19th day of June, 1983.

Mark White
Mark White
Governor of Texas

By the Governor

John Fainter
John Fainter
Secretary of State

FILED IN THE OFFICE OF THE
SECRETARY OF STATE
10:22AM.....O'CLOCK

JUN 19 1983
John Fainter
Secretary of State